

**DEPARTMENT OF ADMINISTRATION  
DIVISION OF PERSONNEL SERVICES**

**FY 2003 Annual Report**

Fiscal Year 2003 brought many changes to the Division of Personnel Services (DPS). Mid-way through the fiscal year, the Division's state general funds (SGF) were significantly reduced. Because the majority of those funds in DPS are used for salary and wages, layoffs were necessary. By the end of FY 2003, almost half of the Division's SGF funded employees were laid off. This required the Division to examine how to best align internal resources to meet the needs of the agencies. Prior to the end of the fiscal year, the Division reorganized its units and adopted the philosophy of a greater degree of teamwork among units to meet operational needs. We believe our new structure serves us and our customers well.

The Division also worked to develop stronger partnerships with agencies with the philosophy that partnerships with and between agencies achieve a better understanding of the state's human resource (HR) needs, build the state's HR capacity, and allow greater decentralization of day-to-day responsibilities and authorities. That collaboration also increases efficiencies and reduces redundancies in our programs and processes, while increasing flexibility and options for agencies. The Division's vision statement reflects this new approach: *"Customers seek our partnership"*. This shift in the way DPS does business enables the Division to provide basic support services and functions with an almost 50% reduction in state general fund staff.

To approach the right balance of centralized and decentralized responsibilities and authorities, we have:

1. Increased the authority of each agency to manage HR activities according to specific needs without unnecessary oversight from DPS;
2. Developed partnerships, between the agencies and between the agencies and DPS, to develop a greater statewide HR capacity; and
3. Examined and eliminated or changed processes, with an emphasis on streamlining and improving those processes so decentralized responsibilities and authorities can be managed without additional staff.

At the heart of our partnership efforts since January 2003 were the establishment of 16 teams of agency HR professionals to discuss and act on new directions. Staff from DPS served as team leaders, facilitators and team members in ensuring the successful completion of the team's goals. The teams reviewed and analyzed processes and regulations to recommend changes and efficiencies. All teams demonstrated commitment to our collective efforts and accomplishments in shaping the future of our HR systems.

The teams recommended several reforms in FY2003 that streamlined our processes and reduced our operating costs. The following accomplishments are a result of these reforms:

### **Service to Agencies**

- A centralized Agency Resource website and discussion board was established in response to agency requests for access to best practices, layoff resources, performance review system options, etc. This eliminates much of the need for individual consultation with agencies and the FTE associated with it.
- DPS' human resource consultants continued to team-up with experienced human resource staff from state agencies to review allocation and reallocation requests, make classification decisions and conduct face-to-face audits for all positions not covered by Delegated Authority Agreements. This team-based system began in FY 2002 and continues to provide opportunity for trained classifiers in state agencies and the Division to develop a common perspective regarding statewide classifications and ensure that timely and consistent action was taken on all classification requests.
- In mid FY 2003, the Classification Review and Update Project, which was reviewing job classes by occupational group, was redirected. Studies are now completed on an ad hoc basis. Job classification specifications have been updated for several classes, less than 10 new classes have been established and more than 50 classes have been abolished.
- Human Resource Informational Meetings were held at least quarterly with human resource professionals from state agencies and DPS. The meetings serve as a forum for agencies and the Division to work together and learn from each other by sharing information, ideas and experiences.
- During Fiscal Year 2003, the staff of the State Self-Insurance Fund, a self-administered program funded through agency-experienced based assessments to provide workers compensation coverage to state employees who are injured on the job, visited over 25 different agencies to provide assistance to agency human resource professionals.

### **Decentralization and Efficiencies**

- The responsibility and authority to develop Performance Review Systems has been delegated to agencies. Agencies can adopt review systems that best meet their individual agency needs, but the current three-level rating system remains in effect.
- The Skills Registration Process was stopped at the end of FY 2003. Agencies now develop and use their own selection process according to their needs.
- Modifications to on-line recruitment processes were implemented.
- The responsibility and authority to classify HR positions has been delegated to agencies with classification authority. This removes the duplicative process of the past with both agencies and the Division determining classifications.

- The Certified Public Manager program was transferred to Kansas University eliminating the FTE associated with the program.
- Employee training and development was decentralized to agencies. Agencies now provide training, partner with other agencies, or outsource training to meet specific agency needs. Agencies now also determine the scope and content of their supervisory training and new employee orientation programs and their continuing education requirements.

### **Enhancements for Employees**

- The Kansas Employee Preference Program was implemented as a support and resource to employees. This program provides State of Kansas employees who have been laid off, or who have received a written proposed notice of layoff, with preference for announced positions for which they qualify at the same pay grade or lower than the position from which they were laid off or scheduled to be laid off. Preference means that the employee will be hired if they meet the minimum qualifications.
- The ethics statute was revised to eliminate limitations in employment following layoff.
- The veterans' preference regulation was revised to increase the preference given to veterans. Under this new policy, each applicant certified as a veteran who meets the minimum requirements for a vacant position is offered an interview for the position.
- The Employee Suggestion Program was enhanced to allow up front bonuses to employees who make cost savings suggestions. Under the old program, employees who made cost saving suggestions had to wait a full year before receiving any reward. An employee who makes a suggestion for cost savings that is adopted by the agency will now receive a monetary award at the time of adoption. The initial award will be 25% of the total award amount based on estimated cost savings, as certified by the agency appointing authority and chief fiscal officer, up to a maximum of \$3,500.
- The Department of Administration and SHARP website pages were modified to provide a more service-oriented look and feel. Changes include a redesigned banner and new navigational buttons. This effort included resources from other Divisions within the Department of Administration.
- Established a Diversity Network for agencies to share resources and develop initiatives that address a range of human resource issues. Its primary focus is to build the state's capacity through initiatives that recognize the importance of understanding and valuing differences, while reemphasizing the state's commitment to fairness, diversity, equal treatment and opportunity.
- The Information Services section has started the planning process for the next SHARP upgrade. Upgrading will allow the Division to continue utilizing technology to increase efficiencies and reduce operation costs, and to streamline business procedures.

## **Health Benefits**

- The requirements of the HIPAA privacy rules were successfully implemented to meet the compliance deadline. The implementation strategy included the following: appointment of a Privacy Official; assessment of privacy flow internally and externally; training for health benefits staff, agency and non-state employer group HR and payroll personnel; and distributed over 45,000 privacy notices to health plan participants.
- The Health and Safety work unit was returned to the operational control of DPS from the Department of Health and Environment at the start of FY 2003.

## **System Enhancements**

- An upgrade to PeopleSoft 8.0 was successfully accomplished. This upgrade moved SHARP to the Internet, eliminating the need to load PeopleSoft onto individual users' computer. Staff from the Divisions of Personnel Services, Accounts and Reports, and Information Services and Communication worked together for more than a year on this major accomplishment.
- New computer based training for SHARP users was created as part of the upgrade. Users can now use the Internet to complete both training and testing to receive security access.
- Employee self-service options were increased, reaching more than 60,000 users. In addition to Benefits Open Enrollment, Benefits Confirmation Statement, and Total Compensation Statement most employees can now view their personal data, training summary, leave balances and paycheck information online. Employees can also update their general profile and W-4 information and request a W-2 reissue.

The Division is committed to these on-going reforms and will continue to evaluate and fine-tune the decentralization of human resource processes and systems in the coming year. In addition, projects in the coming fiscal year will include:

- Follow-through on efforts to redesign the state's compensation and classification systems. As of this date, the Compensation Study Team has studied compensation philosophy, reviewed previous studies, conducted listening tours with managers and employees throughout the state, and is beginning to design option recommendations that will be available early in FY 2005. The Classification Team has also reviewed different classification systems and has joined the Compensation Study team to ensure that both systems complement one another. The goal is to develop option recommendations for a total compensation system that will meet current and future needs and strengthen the state's ability to attract, retain, and reward a competent workforce. Developing a competitive, total compensation system that provides increased flexibility to agencies is also part of the team's goal. Classification system goals include broadening the structure of job classifications, reducing the number of job classifications, clearly

distinguishing work and providing a stronger, more flexible link between the state's compensation and classification systems.

- Continue to design voluntary employee benefit plans that add value and are cost effective.
- Follow through on an initiative to develop workforce capacity for agencies as they create and maintain a workplace environment that maximizes workforce performance and services.
- Pursuing a statewide effort, supported by all cabinet agency heads, to minimize the cost of recruitment advertising in some of the major newspapers in Kansas. This will be achieved by consolidating all agency advertising into a single ad that directs applicants to a website where featured jobs can be accessed.
- Implementing Governor's initiative to create family-friendly work environment by partnering with agencies and serving as a central resource.
- Continue to provide leadership in and support of BEST team efforts and initiatives.